

Message Text

CONFIDENTIAL

PAGE 01 PARIS 15177 01 OF 02 231908Z
ACTION EUR-12

INFO OCT-01 AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 L-03 H-01 PA-01 PRS-01 ITC-01 ISO-00 /088 W
-----231929Z 009918 /40

R 231904Z MAY 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3098
INFO USMISSION EC BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 15177

DEPARTMENT PASS OMB

E.O. 11652: GDS
TAGS: ECON FR US
SUBJECT: CALL ON PRIME MINISTER BARRE BY OMB DIRECTOR
LANCE

SUMMARY: ON MAY 21, PRIME MINISTER RAYMOND BARRE
RECEIVED OMB DIRECTOR BERT LANCE FOR A 50 MINUTE
DISCUSSION OF ECONOMIC PROBLEMS FACING FRANCE AND THE US.
BARRE REFERRED REPEATEDLY TO HIS UNDERLYING ANALYSIS AND
PHILOSOPHY OF FRENCH ECONOMIC DEVELOPMENT, TO THE
DIFFICULTIES FRENCH BUSINESSMEN HAVE UNDERSTANDING HIS
FRAME OF REFERENCE, TO THE VITAL IMPORTANCE OF EXPANDING
INTERNATIONAL COMMERCE, AND TO COMMON US-FRENCH ECONOMIC
PROBLEMS. END SUMMARY.

1. IN A LONG AND EXCEPTIONALLY FRIENDLY MEETING WITH
DIRECTOR OF OMB, PRIME MINISTER BARRE SPOKE FRANKLY OF
MANY SUBJECTS ON HIS MIND AT PRESENT. HE SUMMARIZED
BRIEFLY HIS VIEW OF LAST 30 YEARS OF FRENCH ECONOMIC
DEVELOPMENT, STRESSING HEAVY INVESTMENT IN MODERNIZA-
TION FROM 1945 TO 1960, THE SUBSEQUENT DELIBERATE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 15177 01 OF 02 231908Z

OPENING TO INTERNATIONAL COMPETITION, AND FRANCE'S NEW
ROLE AS A MAJOR EXPORTER. BARRE EMPHATICALLY ENDORSED
IMPORTANCE OF AVOIDING PROTECTIONISM AND OF EXPANDING
INTERNATIONAL COMMERCE, SUGGESTING THAT US AND FRENCH
INTERESTS WERE VERY CLOSE.

2. BARRE DESCRIBED HIS PAST DIFFICULTY GETTING

FRENCH BUSINESS LEADERS TO ACCEPT FACT THAT HIGH INTEREST RATES WERE PART AND PARCEL OF HIGH INFLATIONARY PERIOD. HE FELT THAT HE HAD RECENTLY MADE PROGRESS IN RALLYING FRENCH BUSINESSMEN TO SUPPORT OF HIS ECONOMIC PLAN.

3. BARRE DWELT ON PROBLEM OF UNEMPLOYMENT, NOTING THAT DESPITE OVER ONE MILLION UNEMPLOYED, FRANCE HAD "QUASI-FULL EMPLOYMENT." NEARLY HALF OF THE UNEMPLOYED ARE WOMEN, WHOSE JOB HUNTING IS A NEW SOCIOLOGICAL PHENOMENON, WHILE MOST OF THE REST ARE UNTRAINED TEENAGERS. HE DEPLORED PAUCITY OF RESULTS WHICH GOVERNMENT EFFORTS TO PROVIDE EMPLOYMENT FOR YOUTH HAD PRODUCED, BUT PROMISED TO KEEP TRYING. BARRE NOTED WITH SOME PRIDE THAT FRANCE HAS RETAINED ITS TWO MILLION IMMIGRANT WORKERS RATHER THAN EXPORTING THEM AS GERMANY AND SWITZERLAND HAD DONE.

4. ON IMPORTANCE OF FOREIGN COMMERCE, BARRE ALLUDED TO RECENT INTERVIEW WITH HOBART ROWAN OF WASHINGTON POST, NOTING ROWAN HAD TROUBLE BELIEVING FRANCE NOW EXPORTS 20 PER CENT OF ITS OUTPUT. BARRE NOTED THAT DEVELOPING COUNTRIES NOW IN TAKE-OFF STAGE, SUCH AS BRAZIL, ARE NOT PLAYING THE INTERNATIONAL TRADE GAME FAIRLY. HE COMPLAINED OF PRESERVATION BY SUCH COUNTRIES OF PROTECTIONIST DEVICES NOTWITHSTANDING THEIR DEVELOP-

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PARIS 15177 02 OF 02 231920Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 L-03 H-01 PA-01 PRS-01 ITC-01 /088 W
-----231931Z 010154 /40

R 231904Z MAY 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3099
INFO USMISSION EC BRUSSELS

C O N F I D E N T I A L SECTION 02 OF 02 PARIS 15177

MENT. HE SUGGESTED THAT US AND FRANCE SHOULD EXPLORE BILATERALLY WAYS TO CREATE NEW RULES OF WORLD TRADE, WHICH COULD OPEN DOOR TO ERA OF EVEN BROADER TRADE IN 1980S AND 90S.

5. BARRE NOTED EXCELLENT RELATIONSHIPS ESTABLISHED BETWEEN CHIEFS OF STATE AND HEADS OF GOVERNMENT AT LONDON SUMMIT AND THE GREATER SENSE OF INTERDEPENDENCE THAT RESULTED.

6. BARRE MENTIONED HIS MANY CLOSE FRIENDS IN HIGH LEVELS OF US GOVERNMENT AND INDUSTRY, CITING PARTICULARLY MESSRS. BERGSTEN, COOPER AND HARTMAN, WHOSE IMMINENT ARRIVAL AS AMBASSADOR HE WELCOMED. IN HIS HEARTY ENDORSEMENT OF VITAL IMPORTANCE OF INTERNATIONAL COMMERCE, BARRE STATED THAT MOST IMPORTANT ASPECT OF COMMON MARKET WAS THE PSYCHOLOGICAL SENSE OF IDENTITY AND INTERDEPENDENCE IT HAD CREATED. HE EXPRESSED STRONG HOPE THAT THIS EXPERIENCE COULD BE EXTENDED EVEN MORE WIDELY THROUGHOUT THE INDUSTRIALIZED WORLD.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 15177 02 OF 02 231920Z

7. COMMENT: BARRE WAS IN EXCELLENT AND EXPANSIVE FORM AND RESPONDED WITH WARM APPRECIATION TO LANCE'S CONGRATULATIONS ON HIS SUCCESSFUL TELEVISION DEBATE WITH MITTERRAND.
GAMMON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, DIPLOMATIC DISCUSSIONS, ECONOMIC PROGRAMS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS15177
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770183-0836
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770528/aaaaayac.tel
Line Count: 150
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 74b4bf8b-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2406590
Secure: OPEN
Status: NATIVE
Subject: CALL ON PRIME MINISTER BARRE BY OMB DIRECTOR LANCE SUMMARY: ON MAY 21, PRIME MINISTER RAYMOND BARRE
TAGS: ECON, FR, US, (LANCE, THOMAS B), (BARRE, RAYMOND)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/74b4bf8b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009